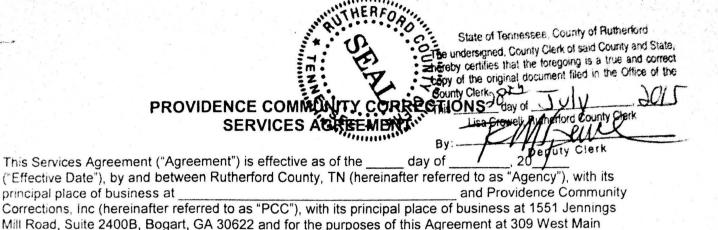
EXHIBIT 1



WHEREAS, Agency has need for certain community correctional services, and

Street, Murfreesboro, TN 37130 with reference to the following:

WHEREAS, PCC has the requisite experience and expertise and is willing to provide such services;

NOW, THEREFORE, in consideration of the mutual terms, conditions and covenants set forth herein, the parties agree as follows:

SCOPE OF SERVICES

Agency hereby engages PCC to perform the services as described in Exhibit A, Scope of Services. During the term of this Agreement the Agency or PCC may request changes in the Scope of Services. Any such change, including any increase or decrease in the amount of PCC' compensation, requires the mutual agreement of the parties and shall be effective when incorporated by written statement which shall become an amendment to this Agreement.

2. COMPENSATION AND METHOD OF PAYMENT

Agency agrees that compensation and method of payment to PCC shall be according to Exhibit B, Cost and Fee Schedule. There is no cost to Agency for any services outlined herein.

3. TERM OF CONTRACT

The term of this Agreement is for two (2) years from the effective date of the Agreement and shall terminate two (2) years from the effective date of the Agreement provided written notice is provided by either party at least 90 days in advance of termination date. Notwithstanding the above, renewal of this Agreement at termination date shall be for annual extension periods of one year each provided neither party has provided to the other written notification of termination at least 90 days prior to the original termination date or any extension period.

4. RESPONSIBILITIES

PCC shall retain financial, programmatic, client data and other service records for five (5) years from the date services are completed.

5. INDEPENDENT CONTRACTORS

This Agreement shall not constitute, create, or otherwise imply an employment, joint venture, partnership, agency or similar arrangement. Each party to this Agreement shall act as an independent contractor, and neither party shall have the power to act for or bind the other party except as expressly provided for herein. PCC assumes sole responsibility for determining the manner and means of performance hereunder.

PCC and its employees shall not be eligible for any benefit available to employees of Agency, including, but not limited to, workers compensation insurance, state disability insurance, unemployment insurance, group health and life insurance, vacation pay, sick pay, severance pay, bonus plans, pension plans, savings plans and the like.

PCC may provide services to others during the same period PCC provides service to Agency under this Agreement.

6. TERMINATION FOR DEFAULT

Either party shall have the right to terminate this Agreement if the other party is in default of any obligation hereunder and such default is not cured within thirty (30) days of receipt of a notice specifying such default.

7. INSURANCE

PCC shall maintain the following insurance during the term of this Agreement:

- A. Worker's Compensation and Employer's Liability Insurance in accordance with applicable law.
- B. Commercial General Liability Insurance on a per occurrence basis with limits of liability not less than \$1,000,000 per occurrence and aggregate combined single limit, Personal Injury, Bodily Injury and Property Damage.
- C. Automobile Liability Insurance with limits of liability of not less than \$1,000,000 per occurrence combined single limit including Bodily Injury and Property Damage. Coverage shall include all owned vehicles, all non-owned vehicles, and all hired vehicles.
- D. Professional Errors and Omissions Insurance which shall include Consultant's Computer Errors and Omissions Coverage, professional liability, and commercial crime coverage with limits not less than \$1,000,000 per claim and in the aggregate.

8. COMPLIANCE WITH LAW

In rendering services under this Agreement, PCC shall comply with all applicable federal, state and local laws, rules and regulations pertaining to equal employment opportunity and shall not discriminate based on age, ancestry, color, gender, marital status, medical condition, national origin, physical or mental disability, race, religion or sexual orientation.

PCC will comply with all applicable federal, state and local laws, rules and regulations regarding the maintenance of a drug-free workplace.

9. INSPECTION

Authorized representatives of Agency may inspect or audit PCC' performance and records pertaining to this Agreement at the PCC business office during normal business hours.

10. ASSIGNMENT

Neither party shall assign or transfer this Agreement nor any duties or obligations hereunder without the prior written approval of the other party.

11. NOTICES

All notices under the Agreement will be in writing and will be delivered by personal service, facsimile or certified mail, postage prepaid, or overnight courier to such address as may be designated from time to time by the relevant party, which initially shall be the address set forth below:

RUTHERFORD COUNTY	PCC
TENNESSEE	
Ernest Burgess, County Mayor	1551 Jennings Mill Rd, Suite 2400E
Room 101, County Courthouse	Bogart, GA 30622
Murfreesboro, TN 37130	

Any notice sent by certified mail will be deemed to have been given five (5) days after the date on which it is mailed. All other notices will be deemed given when received. No objection may be made to the manner of delivery of any notice actually received in writing by an authorized agent of a party.

12. DISPUTES

Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, that cannot be resolved through negotiation between the parties, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Any such arbitration proceedings shall be held in Rutherford County, Tennessee. In the event arbitration is initiated to enforce or interpret any part of the Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees to be fixed by the arbitrator(s).

13. GOVERNING LAW

The Agreement shall be governed and construed in accordance with the laws of the State of Tennessee without regard to choice of law principles.

14. SEVERABILITY

If any provision of the Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any manner.

15. FORCE MAJEURE

Neither party shall be liable hereunder by reason of any failure or delay in the performance of its obligations hereunder (except for the payment of money) on account of strikes, shortages, riots, insurrection, fires, flood, storm, explosions, earthquakes, acts of God, war, governmental action, labor conditions, material shortages or any other cause which is beyond the reasonable control of such party.

16. WAIVER

No provision of the Agreement may be waived unless in writing, signed by both of the parties hereto. Waiver of a breach of any provision of the Agreement shall not operate or be construed as a waiver of any subsequent breach of such provision, nor shall a waiver of any one provision of the Agreement be deemed to be a waiver of any other provision.

17. AMENDMENTS, SUPPLEMENTS

The Agreement may be amended or supplemented only by the mutual written consent of the parties' authorized representatives.

18. BINDING EFFECT, BENEFITS

The Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. Notwithstanding anything contained in the Agreement to the contrary, nothing in the Agreement, expressed or implied, is intended to confer on any person other than the parties hereto or their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of the Agreement.

19. HEADINGS

The Section headings in the Agreement are inserted only as a matter of convenience, and in no way define, limit, or extend or interpret the scope of the Agreement or of any particular Article or Section.

20. AUTHORIZATION

Each of the parties represents and warrants that the Agreement is a valid and binding obligation enforceable against it and that the representative executing the Agreement is duly authorized and empowered to sign the Agreement.

21. COUNTERPARTS

The Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

22. ENTIRE AGREEMENT

The Agreement and any schedules and exhibits thereto contain the entire agreement and understanding of the parties with respect to the subject matter hereof, and supersedes and replaces any and all prior discussions, representations and understandings, whether oral or written.

IN WITNESS WHEREOF, the parties have executed this Agreement through their duly authorized representatives.

PCC	RUTHERFORD COUNTY, TENNESSEE		
Printed Name: Lowald C. Purce	By Euros Abuge Printed Name: ERNESTG BURG		
Title Chief Operating & Dice	Title: Mayre Date 12/14/06		

EXHIBIT A

SCOPE OF SERVICES Standard Probation Services Program

SERVICES

PCC agrees to provide to the Agency (or Court) and the Agency (or Court) agrees to order the payment for the Services to be paid by probationers as described herein which shall be subject to this Agreement. All Services provided by PCC hereunder shall be governed by this Agreement.

PCC agrees to provide the following services:

To the degree permitted by law and ordered by the Agency or Referring Court:

- Monitor and collect payments for fines, court costs and restitution.
- 2. Monitor compliance with conditions placed on referred cases as ordered by the court. Face-to-face contacts with the probationer shall be established at the outset of supervision and prior to the final report to the Court regarding compliance with the order of probation. PCC probation personnel shall conduct face-to-face contact and collateral contacts with the probationer with the frequency necessary to best address the needs presented by the probationer and to promote successful completion of probation.
- 3. Provide staff to attend Court to perform case intake on referred cases.
- 4. Provide monthly reports to the Court. All collected fines, surcharges, restitution, and other Court-ordered collections of public moneys shall be remitted on a monthly basis, or on a schedule as required by Agency, law, or other regulatory, body to the Clerk of the Court or specified designee.
- Confer with the Court staff, the District Attorney's/Solicitor's office and Judges on cases as appropriate.
- Manage Probationer case limits and maintain a reasonable number of staff in order to provide attention to all Court ordered terms and conditions.
- 7. Employ professional probation personnel that meet or exceed the standards established, or as may be established in the future by the County and Private Probation Advisory Council ("Council"), TCA §16-3-901 et seq. Those rules, Tenn. Comp. R. & Reg. 1177-1, were effective as of September 6, 2005, meaning they have the force and effect of law as of that date. No person convicted of a felony or misdemeanor offense shall be employed. Further, all staff employed as probation officers shall undergo an Orientation Training Program of forty (40) hours and receive annual In-Service Training of twenty (20) hours in a curriculum comprised of topics as specified by the Council. All training shall be delivered and documented consistent with TCA 40-35-302 and TCA 40-35-303, which governs training and staff development for private probation officers.
- 8. Maintain appropriate records on Probationers.
- 9. Monitor community service records.
- 10. Report to the Court any and all violations of court-ordered conditions for any probationer who is materially in violation of such conditions. Probation personnel shall make recommendations for revocation of probation or alternative dispositions for resolution of violations, based on the specific Court's specification as to types of violations that constitute a material violation of probation.
- File petitions, warrants, and orders as directed by the Court. PCC shall coordinate with the Court related to hearings.
- 12. PCC shall provide testimony and supporting documentation as may be required by the Court, and shall, upon disposition by the Court, assure that all required documents are filed and take actions as ordered by the Court.

- 13. Provide oversight under the same terms of any offender placed by the courts through this Agreement for those cases the Court has jurisdiction (pre-trial supervision, diversion, etc.)
- 14. Submit a monthly statement to the Court or its designated representative for the amount of Court fines, costs and restitution ordered by the Court and collected by PCC from the Probationers. This report shall be provided to the Court by the tenth (10th) business day of each month, unless otherwise required by the Court or regulatory entity.
- 15. Tender all fines, costs and restitution ordered by the Court and collected by PCC the tenth (10th) business day of each month, unless otherwise required by the Court or regulatory entity.
- 16. Provide Electronic Monitoring ("EM") services as ordered by the court, with the expense to be borne by the Probationer. The description of the Electronic Monitoring Services, the responsibilities of both PCC and the Court, as well as the level of notification for alerts are more fully described in Exhibit C attached hereto.
- 17. Provide programs ("Programs") to Probationers when ordered by the Court. Provide random drug testing as ordered by the court, with the expense to be borne by the Probationer as noted in Exhibit B.
- 18. Comply with all laws regarding confidentiality of Probationer records.
- Maintain fine, restitution or court costs collected from the Probationers in an escrow account without benefit or profit from said accounts.
- 20. Provide, at a minimum, monthly-summarized reports that reflect monthly and year-to-date information concerning the status of all probationers within the system. Provide summary reports that reflect collection amounts by PCC for those fees, court costs, etc., collected on behalf of the County with a comparison to the total amounts made available for collection.

The Agency (or Court) agrees to provide the following services under this Agreement:

- Refer all appropriate cases to PCC for the provision of those services indicated by this Agreement.
- Order each probationer to remit to PCC payment for the services ordered by the Court according to the Services noted Exhibit B of this Agreement.
- Hold each referred case accountable for all payment of services, fines, restitution or other court-ordered fees and obligations. Create appropriate sanctions for failure to pay as well as other court-ordered conditions as determined by the Court.
- 4. Utilize pre-trial supervision program, EM and Programs if and when appropriate.

EXHIBIT B

COST AND FEE SCHEDULE

PAYMENTS TO CONTRACTOR

Unless otherwise agreed and stated by amendment to this Agreement, this contract is a user-based fee program. The obligation of the Agency (or the Court) is to order and enforce Probationers (or other referred cases) to pay for services based upon the following schedule. The Agency has no direct responsibility for payment unless noted by this Agreement or a written amendment.

Service	Period / Unit	Rate	Note
Supervision Fee	Monthly	\$45.00	
Retirement Supervision Fee	Monthly	\$35.00	
Assessments/ Evaluation	Per Assessment	\$25.00	
Drug Testing	Per Test	\$20.00	
Group Program or Educational Services	Per Session or Class	FREE	W/IN COS
Electronic Monitoring RF	Per Day	\$10.00	
Electronic Monitoring - Passive	Per Day	\$5.00	
Electronic Monitoring - GPS Passive	Per Day	\$12.00	
Alcohol Monitoring - Random	Per Day	\$5.00	Combined with RF
Alcohol Monitoring - Continuous	Per Day	\$12.00	SCRAM
DUI School	12 hour class	\$125.00 per class	One time fee

PAYMENT POLICY

PCC shall use best efforts to collect full payment of all court-ordered fees to include, but not be limited to, victim restitution, fines, fees and surcharges and supervision fees. PCC may use all legal means to secure full payment of the obligation to include payment through direct staff interaction, payment plans, lockboxes, referral to collections agencies and the use of the PCC Automated Collections Center. In all cases PCC shall maintain full compliance with the FDCPA (Fair Debt Collection Practices Act).

For each referred case, the full obligation ordered by the Court is due and payable at the time of case intake. PCC determines a payment plan for each Probationer that considers the term of sentence. Court-ordered charges paid to and retained by PCC (for supervision fees and services) are due and payable only on a monthly basis or at the time the service is delivered. Payment in advance for PCC fees is accepted and applied only when other court-ordered obligations are paid in full (Electronic or Alcohol Monitoring fees may be collected in advance as these services are based on daily rates rather than monthly).

EXHIBIT C

ELECTRONIC OR REMOTE ALCHOHOL MONITORING SERVICES

In addition to the terms and provisions set forth in the above referenced Agreement, the following terms shall apply to all electronic or alcohol monitoring services provided under the Agreement:

MONITORING SERVICES

PCC will provide monitoring services to the Agency and the Court for the Court's operation of an electronic or alcohol monitoring program. The monitoring services provided hereunder are specifically designed to monitor the Probationer (or other referred case) for compliance to curfews, alcohol use, presence or absence. The specific intent and limitations of the products supplied to PCC is to be considered by the Agency to ensure that program expectations do not exceed capabilities. IT IS THE AGENCY (OR COURT) RESPONSIBILITY TO DETERMINE THE SUITABILITY OF A SPECIFIC TECHNOLOGY TO THE REQUIREMENTS OF EACH REFERRED CASE. PCC shall provide reasonable technical descriptions of any such products as available from its suppliers upon specific request of the Agency.

PCC will perform the functions of data entry and data storage for all properly enrolled Probationers. The data entry function consists of the input of all required demographic, curfew, and system configuration information on each case into the central host computer system.

PCC will provide notification of Alert Conditions to authorized and identified Agency or Court staff. Alert notification will be in accordance with the section following entitled "Notification Options" or as agreed upon in writing by the Court and PCC. Alert Condition and Equipment status information for each Probationer will be documented and maintained by PCC and/or its supplier.

NOTIFICATION OPTIONS

Compliance Monitoring Program Level

The Compliance Monitoring Program has as its primary intent the monitoring of compliance to ordered conditions. This program does NOT provide 24-hour enforcement or reporting of conditions. This program is NOT recommended for high-risk probation cases, if any. At this level of monitoring, the Court determines that next business day (or later as determined by the Court) notification is acceptable on any and all violations incurred during the monitoring period.

This level of notification is considered the chosen method by the Agency unless other notification parameters are specified in writing and are included in this Agreement as a formal amendment.

Other Notification Levels

Because certain electronic monitoring equipment provides 24 hour monitoring capability, it is possible to increase the notification frequency or immediacy for higher-risk cases. In such cases the Court may desire more immediate notification. PCC will increase the level of notification provided appropriate Agency personnel are available for response. The absence of written notification procedures to the contrary as noted in formal amendment to this Agreement, the Compliance Monitoring Level will apply.

MAINTENANCE

PCC shall maintain the Equipment at its expense. The Probationer shall be responsible for lost or missing Equipment and/or the cost of required repairs necessitated by (i) the Probationer's negligence or (ii) the damage or destruction of the Equipment by parties other than PCC. The Court will enforce this policy.

EQUIPMENT

PCC shall make reasonable effort to supply a sufficient quantity of Units to meet the Court's need subject to forty-eight (48) hour notice prior to shipment.

MONITORING SYSTEMS

PCC may provide products from multiple suppliers to ensure a broad range of quality products are available. PCC reserves the right to add products or change suppliers. However, in any case in which the functionality of the product is diminished, notification shall be made to users of the former product. Likewise when new products add capability or substantially improve features, such will be communicated to Agency users as well. Products currently available include:

- 1. Passive Monitoring attempts to identify specific probationer periodically at a location/s specified on a specific schedule.
- 2. RF (Radio Frequency) absence-presence monitoring of Probationer at his/her residence based upon a curfew schedule. Continuously monitors equipment status and absence or presence of monitoring device.
- 3. GPS (Global Positioning Satellite) Monitoring monitors movements of participant (device). May identify movement as compared to prohibited and permitted zones. Primary product is "passive" indicating continuous monitoring of locations with reporting upon return to base station.
- 4. Remote alcohol monitoring (SCRAM) products include random testing (testing at random time period when within range of testing device) or active/continuous monitoring on a 24 hour basis (reporting when within range of base station).

SYSTEM MAINTENANCE

The Court acknowledges that periodic maintenance on the host computer system is required. During the performance of this maintenance, the system may be required to be temporarily off line. In such cases information is routinely stored and delivered upon return to active status.

LIMITATIONS

PCC expressly disclaims any warranty that any equipment provided hereunder is impervious to tampering nor does PCC warrant the service or equipment provided hereunder.

In no event does PCC assume responsibility for or liability for acts that may be committed by Probationers (or other users) in connection with the services provided under this Agreement, or for any damages caused by the Agency's failure to fulfill its responsibilities

AGENCY OBLIGATIONS

Refer appropriate cases to PCC for supervision hereunder. The Agency retains full responsibility for case referral.

Provide to PCC required Probationer case and curfew information and Court Order ordering the case to Electronic or Alcohol Monitoring.

Identify and make available the Court's staff and/or Equipment (fax, pager) for the purpose of notification by PCC to the Court of alerts and equipment status problems. Availability of Agency staff must fully meet the requirement of the Agency notification request.

Agency and the Court shall fully enforce the requirement for the Probationer (or other referred case) to meet the financial obligation for the cost of the program. Failure to pay shall constitute a violation of the terms of placement on Electronic Monitoring.

EXHIBIT D

EXAMPLE LISTING OF SERVICES

The following chart represents a sampling of services and products available. PCC is able to design and offer programs on a custom basis for its Agency users. Similar classes or programs will be offered at the same price as those indicated below unless communicated to the Agency. Not all services are provided in each program office. PCC reserves the right to offer groups and services only when volume is sufficient to form a group or class of sufficient size. Additionally, legal restrictions exist in some jurisdictions that may prohibit certain programs or mandate licensing or certification not part of PCC qualifications.

Program Title	Target Population	Program Description	Cost
Domestic Violence Program 24 modules	Domestic violence offenders (separate male/female groups) Pretrial, probation, parole, court ordered or self-referrals Basic Program is 24 modules + orientation group + an individual assessment.	This is a cognitive-behavioral program. This educational approach confronts batterer beliefs and behaviors. The focus is on power and control issues in domestic relationships. Designed to comply with content and length regulations for DV programs. Groups are task-oriented with each client working at an individual pace.	\$25.00 evaluation assessment FREE per group session w/in COS \$25.00 workbook Open-ended
Anger Management Program 8 modules	Designed for use with adults who have been involved in assault or violence in non-domestic situations and/or anyone who has obvious difficulty dealing with anger.	A cognitive-behavioral program that helps the client to understand and manage feelings and behaviors that accompanies anger. In this group, the client will identify stress and frustration levels and establish goals and self-control plans.	(Non-domestic violence) FREE per group session w/in COS \$10.00 workbook Open-ended
Standard Cognitive Program 12 steps 26 modules	Developed for chronic offenders, particularly those who have been resistant and unsuccessful in various other treatment programs and/or who are at risk of revocation. Appropriate for those who have multiple alcohol and drug offenses as well as other repeat offenders.	A cognitive-behavioral program designed to enhance social, moral and positive behavioral growth in a progressive, step-by-step fashion. This program addresses criminal thinking patterns, relationship issues, values, attitudes and decision-making processes. The goal is to move offenders from predominately pleasure and pain reasoning to a higher level of social rules orientation.	FREE per group session w/in COS \$25.00 workbook Open-ended
Parenting & Family Issues 12 modules	Program designed for enhancement of parenting skills.	A cognitive-behavioral program designed to teach parenting skills. Focuses on children's values, problems, and developing traits of a healthy family.	FREE per group session w/in COS \$15.00 workbook Open-ended
Job Readiness 6 modules	This group is designed for anyone who needs enhancement with employment or career skills	A cognitive-behavioral program focusing on correcting faulty beliefs about work. Topics include career identity, why people get jobs and promotions and other issues related to employment.	FREE per group session w/in COS \$ 10.00 workbook
Responsible Living 8 modules	A program designed for first-time misdemeanant offenders.	A cognitive-behavioral program that challenges offenders to look at their behavior and how it relates to their involvement in the criminal justice system. The program includes topics and exercises regarding responsible budgeting; appreciating, building, and maintaining interpersonal relationships; self analysis of behavior and value clarification; and the development of short-term and long-term goals.	FREE per group session w/in COS \$10.00 workbook Open-ended